

1 **BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA**

2 Investigation regarding the impacts of renewable)
3 energy on Nevada's electricity rates, environment) DOCKET NO. 10-04008
4 and economic development)
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NOTICE OF INTENT TO PARTICIPATE

6 COMES NOW, the Large-Scale Solar Association ("LSA") and files its comments
7 to Procedural Orders 1, 2 and 3 in Docket No. 10-04008.

8 The Commission requested comments regarding the accuracy of renewable energy
9 data compilations provided as Attachment 1 to the Commission's Procedural Order Nos. 1
10 and 2. LSA was under the impression that this docket was limited to a study to determine
11 the maximum amount of distributed generation from renewable energy that could be
12 integrated on NV Energy's distribution systems. LSA's members are utility-scale
13 developers of renewable energy; therefore, LSA did not originally engage in this proceeding,
14 as the docket appeared to be focused solarly on distributed generation. Given the
15 Commission's Procedural Orders in this Docket, which expand the scope of the
16 investigation to include renewable costs generally, LSA requested that it be allowed to
17 comment to the questions set forth in Procedural Orders 1 and 2 by December 1, 2010,
18 which is the deadline for responses to the questions set forth in Procedural Order No. 3.

19 LSA provides the following comments:

20 Procedural Order Nos. 1 and 2:

- 21 **1. Is the total cost of renewable energy arrived at in Attachment 1 a fair**
22 **representation? Why or why not?**

23 The total cost of renewable energy presented in Attachment 1 to Procedural Order
24 Nos. 1 and 2 does not appear to be a fair representation for several reasons. First, the
25 conventional energy costs exclude what it would cost if renewables were not purchased. In
26 other words, it does not include the replacement cost. To accurately determine the cost of

1 renewables, the cost savings achieved from reducing the need for conventional generation
2 must be considered.

3 Second, based on the limited data in Attachment 1, it appears that the total costs of
4 conventional generation are computed differently than the total costs of renewables. For
5 example, the cost of renewables includes operations and maintenance and financing costs,
6 whereas the cost of conventional generation does not appear to do so. If the cost of
7 operations, supervision and engineering (account no. 500) were included, it would add
8 \$2,872,884 to the cost for steam. Including total maintenance costs (account nos. 510-514)
9 would add \$28,308,539 to the cost. FERC Form 1 at page 320. It is not clear if other costs
10 for steam power generation should be included as well in order to have an apples to apples
11 comparison of the cost of renewables versus conventional generation. The costs of the
12 utilities' own generation also appears to be excluded. Limiting the costs of non-renewable
13 energy to fuel alone artificially lowers the costs per MWh of conventional energy compared
14 to renewable energy costs. To accurately compare total costs for different types of
15 generation, it is essential that the calculations include the full range of costs attributable to
16 each type of generation.

17 Third, it appears that when full fuel, operations and maintenance and financing costs
18 for non-renewable energy are included in the utilities' costs, the cost for renewable energy
19 is significantly less it appears to be in Attachment 1. LSA refers to the analysis performed
20 by Crossborder Energy for Vote Solar and the Solar Alliance, which shows that the average
21 added cost to ratepayers for renewable energy has been one cent per month.

22 **2. Should the method of arriving at a total cost include more data, such as**
23 **additional years or additional rate classes? Why or why not?**

24 The costs set forth in the attachment to the procedural order appear to be the utility's
25 costs - not the ratepayers' costs. More information is necessary to determine the impact on
26 ratepayers.

CERTIFICATE OF SERVICE

I hereby certify that I have on this date served the foregoing document upon all parties of record in this proceeding by electronic mail to the recipient's current electronic mail address or mailing a true copy thereof, properly addressed with postage prepaid or forwarded as indicated below to:

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An Employee of Lewis and Roca

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